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14 **UNITED STATES DISTRICT COURT**
15 **DISTRICT OF NEVADA**

16 LORNA CHASE, Individually and On Behalf
17 of All Others Similarly Situated,

18 Plaintiff,

19 v.

20 PAYSIGN, INC., MARK NEWCOMER, and
21 MARK ATTINGER,

22 Defendants.

Case No. 2:20-cv-00585

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

1 Plaintiff Lorna Chase (“Plaintiff”), individually and on behalf of all other persons
2 similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against
3 Defendants, alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s
4 own acts, and information and belief as to all other matters, based upon, *inter alia*, the
5 investigation conducted by and through Plaintiff’s attorneys, which included, among other things,
6 a review of the Defendants’ public documents, conference calls and announcements made by
7 Defendants, United States (“U.S.”) Securities and Exchange Commission (“SEC”) filings, wire
8 and press releases published by and regarding Paysign, Inc. (“Paysign” or the “Company”),
9 analysts’ reports and advisories about the Company, and information readily obtainable on the
10 Internet. Plaintiff believes that substantial evidentiary support will exist for the allegations set
11 forth herein after a reasonable opportunity for discovery.
12

13 **NATURE OF THE ACTION**

14
15 1. This is a federal securities class action on behalf of a class consisting of all persons
16 other than Defendants who purchased or otherwise acquired Paysign securities between March
17 12, 2019, and March 15, 2020, both dates inclusive (the “Class Period”), seeking to recover
18 damages caused by Defendants’ violations of the federal securities laws and to pursue remedies
19 under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and
20 Rule 10b-5 promulgated thereunder, against the Company and certain of its top officials.
21

22 2. Paysign provides prepaid card programs and processing services under the
23 PaySign brand to corporations, government agencies, universities, and other organizations. The
24 Company changed its name from 3PEA International Inc. to Paysign, Inc. on April 23, 2019.
25

26 3. Throughout the Class Period, Defendants made materially false and misleading
27 statements regarding the Company’s business, operational and compliance policies. Specifically,
28

1 Defendants made false and/or misleading statements and/or failed to disclose that: (i) Paysign’s
2 internal control over financial reporting was not effective; (ii) Paysign’s information technology
3 (“IT”) general controls were not effective; and (iii) as a result, the Company’s public statements
4 were materially false and misleading at all relevant times.

5 4. On March 16, 2020, during pre-market hours, Paysign announced that it would be
6 unable to file its annual financial report with the SEC in a timely fashion because of an ongoing
7 audit, advising investors that “management identified material weaknesses related to (i)
8 assessment of internal controls over financial reporting and (ii) [IT] general controls.”

9 5. On this news, Paysign’s stock price fell \$0.93 per share, or 16.85%, to close at
10 \$4.59 per share on March 16, 2020.

11 6. As a result of Defendants’ wrongful acts and omissions, and the precipitous
12 decline in the market value of the Company’s securities, Plaintiff and other Class members have
13 suffered significant losses and damages.

14 **JURISDICTION AND VENUE**

15 7. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of
16 the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by
17 the SEC (17 C.F.R. § 240.10b-5).

18 8. This Court has jurisdiction over the subject matter of this action pursuant to 28
19 U.S.C. § 1331 and Section 27 of the Exchange Act.

20 9. Venue is proper in this Judicial District pursuant to Section 27 of the Exchange
21 Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1391(b). Paysign is headquartered in this Judicial District,
22 Defendants conduct business in this Judicial District, and a significant portion of Defendants’
23 actions took place within this Judicial District.

10. In connection with the acts alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications, and the facilities of the national securities markets.

PARTIES

11. Plaintiff, as set forth in the attached Certification, acquired Paysign securities at artificially inflated prices during the Class Period and was damaged upon the revelation of the alleged corrective disclosures.

12. Defendant Paysign is incorporated under the laws of Nevada, with principal executive offices located at 1700 W. Horizon Ridge Parkway, Suite 200, Henderson, Nevada 89012. The Company’s securities trade in an efficient market on the Nasdaq Stock Market (“NASDAQ”) under the ticker symbol “PAYS.”

13. Defendant Mark Newcomer (“Newcomer”) has served as Paysign’s Chief Executive Officer at all relevant times.

14. Defendant Mark Attinger (“Attinger”) has served as Paysign’s Chief Financial Officer at all relevant times.

15. Defendants Newcomer and Attinger are sometimes referred to herein collectively as the “Individual Defendants.”

16. The Individual Defendants possessed the power and authority to control the contents of Paysign's SEC filings, press releases, and other market communications. The Individual Defendants were provided with copies of Paysign's SEC filings and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or to cause them to be corrected. Because of their positions

1 with Paysign, and their access to material information available to them but not to the public, the
2 Individual Defendants knew that the adverse facts specified herein had not been disclosed to and
3 were being concealed from the public, and that the positive representations being made were then
4 materially false and misleading. The Individual Defendants are liable for the false statements and
5 omissions pleaded herein.

6 17. Paysign and the Individual Defendants are collectively referred to herein as
7 “Defendants.”
8

9 **SUBSTANTIVE ALLEGATIONS**

10 **Background**

11 18. Paysign provides prepaid card programs and processing services under the Paysign
12 brand to corporations, government agencies, universities, and other organizations. The Company
13 offers various services, including transaction processing, cardholder enrollment, value loading,
14 cardholder account management, reporting, and customer service through Paysign, a proprietary
15 card-processing platform. It also develops prepaid card products for healthcare reimbursement
16 payments, pharmaceutical assistance, donor compensation, corporate and incentive rewards, and
17 expense reimbursement cards; and payroll or general purpose reloadable cards, as well as gift or
18 incentive cards. In addition, the Company offers Buy and Bill programs for patients to purchase
19 directly from physician's office or through an infusion center for physician administered
20 therapies; payment solution for source plasma collection centers; and Paysign Premier, a demand
21 deposit account debit card, as well as customer service center and Paysign Communications Suite
22 services. Its principal target markets for processing services comprise prepaid card issuers, retail
23 and private-label issuers, small third-party processors, and small and mid-size financial
24 institutions in the United States and internationally.
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19. Paysign's customers include healthcare companies, major pharmaceutical companies and source plasma providers, large multinationals, prestigious universities, and social media companies.

Materially False and Misleading Statements Issued During the Class Period

20. The Class Period begins on March 12, 2019, when, during pre-market hours, Paysign filed an Annual Report on Form 10-K with the SEC, reporting the Company's financial and operating results for the quarter and year ended December 31, 2018 (the "2018 10-K"). The 2018 10-K stated, in relevant part:

Our chief executive officer and chief financial officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of December 31, 2018. ***Based on that evaluation, our chief executive officer and chief financial officer concluded that, as of the evaluation date, such controls and procedures were effective.***

* * *

As of December 31, 2018 we conducted an evaluation, under the supervision and with the participation of our chief executive officer (our principal executive officer), our chief operating officer and our chief financial officer (also our principal financial and accounting officer) of the effectiveness of our internal control over financial reporting based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, or the COSO Framework. Management's assessment included an evaluation of the design of our internal control over financial reporting and testing of the operational effectiveness of those controls.

A material weakness is defined within the Public Company Accounting Oversight Board's Auditing Standard No. 5 as a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. ***Based upon this assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2018.***

(Emphasis added.)

1 21. Appended to the 2018 10-K as exhibits were signed certifications pursuant to the
2 Sarbanes-Oxley Act of 2002 (“SOX”) by the Individual Defendants, attesting that “[t]he
3 information contained in the [2018 10-K] fairly presents, in all material respects, the financial
4 condition and results of operations of the Company.”

5 22. On May 8, 2019, Paysign filed a Quarterly Report on Form 10-Q with the SEC,
6 reporting the Company’s financial and operating results for the quarter ended March 31, 2019
7 (the “1Q19 10-Q”). The 1Q19 10-Q stated, in relevant part:
8

9 Our chief executive officer and chief financial officer are responsible for
10 establishing and maintaining our disclosure controls and procedures. Disclosure
11 controls and procedures means controls and other procedures that are designed to
12 ensure that information we are required to disclose in the reports that we file or
13 submit under the Securities Exchange Act of 1934 is recorded, processed,
14 summarized and reported within the time periods specified in the Securities and
15 Exchange Commission’s rules and forms, and to ensure that information required
16 to be disclosed by us in those reports is accumulated and communicated to the our
17 management, including our principal executive and principal financial officers, or
18 persons performing similar functions, as appropriate to allow timely decisions
19 regarding required disclosure. Our chief executive officer and chief financial
20 officer evaluated the effectiveness of our disclosure controls and procedures (as
21 defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of
22 1934) as of March 31, 2019. ***Based on that evaluation, our chief executive officer
23 and chief financial officer have concluded that, as of the evaluation date, such
24 controls and procedures were effective.***

25 (Emphasis added.)

26 23. Appended to the 1Q19 10-Q as exhibits were signed certifications pursuant to
27 SOX by the Individual Defendants, attesting that “[t]he information contained in the [1Q19 10-
28 Q] fairly presents, in all material respects, the financial condition and results of operations of the
Company.”

29 24. On August 7, 2019, Paysign filed a Quarterly Report on Form 10-Q with the SEC,
30 reporting the Company’s financial and operating results for the quarter ended June 30, 2019 (the
“2Q19 10-Q”). The 2Q19 10-Q stated, in relevant part:

Our chief executive officer and chief financial officer are responsible for establishing and maintaining our disclosure controls and procedures. Disclosure controls and procedures means controls and other procedures that are designed to ensure that information we are required to disclose in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and to ensure that information required to be disclosed by us in those reports is accumulated and communicated to the our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our chief executive officer and chief financial officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of June 30, 2019. ***Based on that evaluation, our chief executive officer and chief financial officer have concluded that, as of the evaluation date, such controls and procedures were effective.***

(Emphasis added.)

25. Appended to the 2Q19 10-Q as exhibits were signed certifications pursuant to SOX by the Individual Defendants, attesting that “[t]he information contained in the [2Q19 10-Q] fairly presents, in all material respects, the financial condition and results of operations of the Company.”

26. On November 6, 2019, Paysign filed a Quarterly Report on Form 10-Q with the SEC, reporting the Company's financial and operating results for the quarter ended September 30, 2019 (the “3Q19 10-Q”). The 3Q19 10-Q stated, in relevant part:

Our chief executive officer and chief financial officer are responsible for establishing and maintaining our disclosure controls and procedures. Disclosure controls and procedures means controls and other procedures that are designed to ensure that information we are required to disclose in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and to ensure that information required to be disclosed by us in those reports is accumulated and communicated to the our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our chief executive officer and chief financial officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of

1934) as of September 30, 2019. *Based on that evaluation, our chief executive officer and chief financial officer have concluded that, as of the evaluation date, such controls and procedures were effective.*

(Emphasis added.)

27. Appended to the 3Q19 10-Q as exhibits were signed certifications pursuant to SOX by the Individual Defendants, attesting that “[t]he information contained in the [3Q19 10-Q] fairly presents, in all material respects, the financial condition and results of operations of the Company.”

28. The statements referenced in ¶¶ 20-27 were materially false and misleading because Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company’s business, operational and compliance policies. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Paysign’s internal control over financial reporting was not effective; (ii) Paysign’s IT general controls were not effective; and (iii) as a result, the Company’s public statements were materially false and misleading at all relevant times.

The Truth Begins to Emerge

29. On March 16, 2020, during pre-market hours, Paysign announced that it would be unable to file its annual financial report with the SEC in a timely fashion because of an ongoing audit, advising investors that “management identified material weaknesses related to (i) assessment of internal controls over financial reporting and (ii) [IT] general controls.”

30. On this news, Paysign’s stock price fell \$0.93 per share, or 16.85%, to close at \$4.59 per share on March 16, 2020.

31. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline in the market value of the Company’s securities, Plaintiff and other Class members have

1 suffered significant losses and damages.

2 **PLAINTIFF'S CLASS ACTION ALLEGATIONS**

3 32. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil
4 Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or
5 otherwise acquired Paysign securities during the Class Period (the "Class"); and were damaged
6 upon the revelation of the alleged corrective disclosures. Excluded from the Class are Defendants
7 herein, the officers and directors of the Company, at all relevant times, members of their
8 immediate families and their legal representatives, heirs, successors or assigns and any entity in
9 which Defendants have or had a controlling interest.
10

11 33. The members of the Class are so numerous that joinder of all members is
12 impracticable. Throughout the Class Period, Paysign securities were actively traded on the
13 NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and
14 can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds
15 or thousands of members in the proposed Class. Record owners and other members of the Class
16 may be identified from records maintained by Paysign or its transfer agent and may be notified
17 of the pendency of this action by mail, using the form of notice similar to that customarily used
18 in securities class actions.
19
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21 34. Plaintiff's claims are typical of the claims of the members of the Class as all
22 members of the Class are similarly affected by Defendants' wrongful conduct in violation of
23 federal law that is complained of herein.

24 35. Plaintiff will fairly and adequately protect the interests of the members of the Class
25 and has retained counsel competent and experienced in class and securities litigation. Plaintiff
26 has no interests antagonistic to or in conflict with those of the Class.
27
28

1 36. Common questions of law and fact exist as to all members of the Class and
 2 predominate over any questions solely affecting individual members of the Class. Among the
 3 questions of law and fact common to the Class are:

- 4 • whether the federal securities laws were violated by Defendants' acts as alleged
 5 herein;
- 6 • whether statements made by Defendants to the investing public during the Class
 7 Period misrepresented material facts about the business, operations and
 8 management of Paysign;
- 9 • whether the Individual Defendants caused Paysign to issue false and misleading
 10 financial statements during the Class Period;
- 11 • whether Defendants acted knowingly or recklessly in issuing false and
 12 misleading financial statements;
- 13 • whether the prices of Paysign securities during the Class Period were artificially
 14 inflated because of the Defendants' conduct complained of herein; and
- 15 • whether the members of the Class have sustained damages and, if so, what is the
 16 proper measure of damages.

17 37. A class action is superior to all other available methods for the fair and efficient
 18 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as
 19 the damages suffered by individual Class members may be relatively small, the expense and
 20 burden of individual litigation make it impossible for members of the Class to individually redress
 21 the wrongs done to them. There will be no difficulty in the management of this action as a class
 22 action.

23 38. Plaintiff will rely, in part, upon the presumption of reliance established by the
 24 fraud-on-the-market doctrine in that:

- 25 • Defendants made public misrepresentations or failed to disclose material facts
 26 during the Class Period;
- 27 • the omissions and misrepresentations were material;

- Paysign securities are traded in an efficient market;
- the Company's shares were liquid and traded with moderate to heavy volume during the Class Period;
- the Company traded on the NASDAQ and was covered by multiple analysts;
- the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and
- Plaintiff and members of the Class purchased, acquired and/or sold Paysign securities between the time the Defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

39. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

40. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information, as detailed above.

FIRST CLAIM FOR RELIEF

(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder Against All Defendants)

41. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

42. This Count is asserted against Defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

43. During the Class Period, Defendants engaged in a plan, scheme, conspiracy and course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices and courses of business which operated as a fraud and deceit upon Plaintiff and the other

1 members of the Class; made various untrue statements of material facts and omitted to state
2 material facts necessary in order to make the statements made, in light of the circumstances under
3 which they were made, not misleading; and employed devices, schemes and artifices to defraud
4 in connection with the purchase and sale of securities. Such scheme was intended to, and,
5 throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other
6 Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Paysign
7 securities; and (iii) cause Plaintiff and other members of the Class to purchase or otherwise
8 acquire Paysign securities and options at artificially inflated prices. In furtherance of this
9 unlawful scheme, plan and course of conduct, Defendants, and each of them, took the actions set
10 forth herein.
11

12 44. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the
13 Defendants participated directly or indirectly in the preparation and/or issuance of the quarterly
14 and annual reports, SEC filings, press releases and other statements and documents described
15 above, including statements made to securities analysts and the media that were designed to
16 influence the market for Paysign securities. Such reports, filings, releases and statements were
17 materially false and misleading in that they failed to disclose material adverse information and
18 misrepresented the truth about Paysign's finances and business prospects.
19

20 45. By virtue of their positions at Paysign, Defendants had actual knowledge of the
21 materially false and misleading statements and material omissions alleged herein and intended
22 thereby to deceive Plaintiff and the other members of the Class, or, in the alternative, Defendants
23 acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose
24 such facts as would reveal the materially false and misleading nature of the statements made,
25 although such facts were readily available to Defendants. Said acts and omissions of Defendants
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1 were committed willfully or with reckless disregard for the truth. In addition, each Defendant
2 knew or recklessly disregarded that material facts were being misrepresented or omitted as
3 described above.

4 46. Information showing that Defendants acted knowingly or with reckless disregard
5 for the truth is peculiarly within Defendants' knowledge and control. As the senior managers
6 and/or directors of Paysign, the Individual Defendants had knowledge of the details of Paysign's
7 internal affairs.
8

9 47. The Individual Defendants are liable both directly and indirectly for the wrongs
10 complained of herein. Because of their positions of control and authority, the Individual
11 Defendants were able to and did, directly or indirectly, control the content of the statements of
12 Paysign. As officers and/or directors of a publicly-held company, the Individual Defendants had
13 a duty to disseminate timely, accurate, and truthful information with respect to Paysign's
14 businesses, operations, future financial condition and future prospects. As a result of the
15 dissemination of the aforementioned false and misleading reports, releases and public statements,
16 the market price of Paysign securities was artificially inflated throughout the Class Period. In
17 ignorance of the adverse facts concerning Paysign's business and financial condition which were
18 concealed by Defendants, Plaintiff and the other members of the Class purchased or otherwise
19 acquired Paysign securities at artificially inflated prices and relied upon the price of the securities,
20 the integrity of the market for the securities and/or upon statements disseminated by Defendants,
21 and were damaged thereby.
22
23

24 48. During the Class Period, Paysign securities were traded on an active and efficient
25 market. Plaintiff and the other members of the Class, relying on the materially false and
26 misleading statements described herein, which the Defendants made, issued or caused to be
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1 disseminated, or relying upon the integrity of the market, purchased or otherwise acquired shares
2 of Paysign securities at prices artificially inflated by Defendants' wrongful conduct. Had Plaintiff
3 and the other members of the Class known the truth, they would not have purchased or otherwise
4 acquired said securities, or would not have purchased or otherwise acquired them at the inflated
5 prices that were paid. At the time of the purchases and/or acquisitions by Plaintiff and the Class,
6 the true value of Paysign securities was substantially lower than the prices paid by Plaintiff and
7 the other members of the Class. The market price of Paysign securities declined sharply upon
8 public disclosure of the facts alleged herein to the injury of Plaintiff and Class members.
9

10 49. By reason of the conduct alleged herein, Defendants knowingly or recklessly,
11 directly or indirectly, have violated Section 10(b) of the Exchange Act and Rule 10b-5
12 promulgated thereunder.
13

14 50. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and
15 the other members of the Class suffered damages in connection with their respective purchases,
16 acquisitions and sales of the Company's securities during the Class Period, upon the disclosure
17 that the Company had been disseminating misrepresented financial statements to the investing
18 public.
19

20 **SECOND CLAIM FOR RELIEF**

21 **(Violations of Section 20(a) of the Exchange Act Against The Individual Defendants)**

22 51. Plaintiff repeats and re-alleges each and every allegation contained in the
23 foregoing paragraphs as if fully set forth herein.
24

25 52. During the Class Period, the Individual Defendants participated in the operation
26 and management of Paysign, and conducted and participated, directly and indirectly, in the
27 conduct of Paysign's business affairs. Because of their senior positions, they knew the adverse
28

1 non-public information about Paysign's misstatement of income and expenses and false financial
2 statements.

3 53. As officers and/or directors of a publicly owned company, the Individual
4 Defendants had a duty to disseminate accurate and truthful information with respect to Paysign's
5 financial condition and results of operations, and to correct promptly any public statements issued
6 by Paysign which had become materially false or misleading.
7

8 54. Because of their positions of control and authority as senior officers, the Individual
9 Defendants were able to, and did, control the contents of the various reports, press releases and
10 public filings which Paysign disseminated in the marketplace during the Class Period concerning
11 Paysign's results of operations. Throughout the Class Period, the Individual Defendants
12 exercised their power and authority to cause Paysign to engage in the wrongful acts complained
13 of herein. The Individual Defendants therefore, were "controlling persons" of Paysign within the
14 meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful
15 conduct alleged which artificially inflated the market price of Paysign securities.
16

17 55. Each of the Individual Defendants, therefore, acted as a controlling person of
18 Paysign. By reason of their senior management positions and/or being directors of Paysign, each
19 of the Individual Defendants had the power to direct the actions of, and exercised the same to
20 cause, Paysign to engage in the unlawful acts and conduct complained of herein. Each of the
21 Individual Defendants exercised control over the general operations of Paysign and possessed the
22 power to control the specific activities which comprise the primary violations about which
23 Plaintiff and the other members of the Class complain.
24

25 56. By reason of the above conduct, the Individual Defendants are liable pursuant to
26 Section 20(a) of the Exchange Act for the violations committed by Paysign.
27
28

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment against Defendants as follows:

- A. Determining that the instant action may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class representative;
- B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by reason of the acts and transactions alleged herein;
- C. Awarding Plaintiff and the other members of the Class prejudgment and post-judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs; and
- D. Awarding such other and further relief as this Court may deem just and proper.

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a trial by jury.

Dated: March 25, 2020

Respectfully submitted,

MUEHLBAUER LAW OFFICE, LTD.

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